

## **FINANCE DEPARTMENT**

### **Impact Analysis Report**

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#### ***OVERVIEW***

The Finance Department is responsible for collecting, accounting, and monitoring the license and permit fees for Christmas tree and pumpkin patch lots, circuses, carnivals, and parades. The Department is also responsible for a number of miscellaneous fees, along with Integrated Waste Management (IWM)-related late charges.

It is estimated that the Finance Department fees and charges program for 2007-2008, excluding penalties and non-cost recovery fees, will bring revenues to the City of \$324,124, reflecting a 100% cost-recovery rate, if the 10.4% overall increase to fees proposed in this document is approved.

Late payment charges related to the Garbage Lien Program and Garbage Lien Service fees, which are not subject to cost recovery restrictions, are anticipated to generate approximately \$2.2 million in the Integrated Waste Management (IWM) Fund. The Solid Waste Delinquency Late Payment Charge is recommended to be increased in order to encourage customers to submit payments by the due date.

#### ***SUMMARY OF PROPOSED FEE REVISIONS***

##### **Existing Fees**

For 2007-2008, changes are recommended in the Finance Department's fee structure to achieve 100% cost-recovery levels. A complete list of proposed fee revisions by service

is located in the summary of proposed fee changes section of this document and in the tables that follow this section.

As discussed above, the Finance-related fees are increasing by an average of 10.4% to maintain cost recovery levels. These include: Christmas Tree/Pumpkin Lot Licenses, Circus and Carnival Permits, Handbill Distributors Fees, Business Tax Special Report Fees, Returned Check Fees, Exempt Business Tax Applications, and Solid Waste Delinquencies.

In the Solid Waste Delinquencies area, fee increases are proposed for the Administrative Charges for Collection Procedure, Late Payment Charge, and Notice of Intent to Lien. The Returned Check Fee, however, is decreasing based on the estimated cost to provide the service.

#### ***DISCUSSION OF SIGNIFICANT IMPACTS***

The fee revisions proposed for the Finance Department are not expected to have a significant impact on the Department's customers.

#### ***NOTIFICATION***

General public notice of proposed fee revisions will be provided through published Council hearing dates and a minimum of ten days for public review of the 2007-2008 Proposed Fees and Charges Report.

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

| Service   | 2006-2007<br>Adopted Fee                                   | 2006-2007<br>% Cost<br>Recovery | 2007-2008<br>Proposed Fee                     | 2007-2008<br>Estimated<br>Cost | 2007-2008<br>Estimated Revenue |                 | 2007-2008<br>% Cost Recovery |                 |
|---|--|---------------------------------|---|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|   |  |                                 |   |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |
| FINANCE DEPARTMENT GENERAL FEES - CATEGORY I          |  |                                 |   |                                |                                |                 |                              |                 |
| 1. Business Tax Special Reports                       |  |                                 |   |                                |                                |                 |                              |                 |
| 1 Computer Printout                                   | \$44 up to 25 pages; \$1 each additional page              |                                 | \$47 up to 25 pages, \$1 each additional page |                                |                                |                 |                              |                 |
| 2 Diskette/E-mail                                     | \$44 per diskette/transmission                             |                                 | \$47 per diskette/transmission                |                                |                                |                 |                              |                 |
| Sub-total Business Tax Special Reports                |  | 100.0%                          |   | 1,410                          | 1,320                          | 1,410           | 93.6%                        | 100.0%          |
| 2. Circus/Carnival/Parade                             |  |                                 |   |                                |                                |                 |                              |                 |
| 1 Carnival Permit                                     | \$250 1st week; \$25 each additional day                   |                                 | No Change                                     |                                |                                |                 |                              |                 |
| 2 Carnival Permit (Charitable)                        | \$100 1st week; \$10 each additional day                   |                                 | No Change                                     |                                |                                |                 |                              |                 |
| 3 Circus Advertising                                  | \$100 bond for removal within 48 hours of last performance |                                 | No Change                                     |                                |                                |                 |                              |                 |
| 4 Circus Parade (Circus Outside of City Limits)       | \$250 per day  |                                 | No Change                                     |                                |                                |                 |                              |                 |
| 5 Circus Permit                                       | \$250 1st day; \$168 each additional day                   |                                 | \$250 1st day; \$191 each additional day      |                                |                                |                 |                              |                 |
| 6 Circus Permit (Charitable)                          | \$100 1st day; \$50 each additional day                    |                                 | No Change                                     |                                |                                |                 |                              |                 |
| 7 Circus Sideshow Permit                              | \$12.50 each per day                                       |                                 | No Change                                     |                                |                                |                 |                              |                 |
| 8 Circus or Carnival Permit - Sanitary Standards Bond | \$1,000 bond   |                                 | No Change                                     |                                |                                |                 |                              |                 |
| Sub-total Circus/Carnival/Parade                      |  | 100.0%                          |   | 23,000                         | 22,655                         | 23,000          | 98.5%                        | 100.0%          |
| 3. Collection Agency Recovery Fee                     |  |                                 |   |                                |                                |                 |                              |                 |
| 1 Collection Agency Recovery Fee                      | 25% or 15% of the bill; whichever is higher                |                                 | No Change                                     |                                |                                |                 |                              |                 |

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

| Service   | 2006-2007<br>Adopted Fee          | 2006-2007<br>% Cost<br>Recovery | 2007-2008<br>Proposed Fee | 2007-2008<br>Estimated<br>Cost | 2007-2008<br>Estimated Revenue |                 | 2007-2008<br>% Cost Recovery |                 |
|---|-----------------------------------|---------------------------------|---------------------------|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|   |                                   |                                 |                           |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |
| FINANCE DEPARTMENT GENERAL FEES - CATEGORY I            |                                   |                                 |                           |                                |                                |                 |                              |                 |
| 3. Collection Agency Recovery Fee                       |                                   |                                 |                           |                                |                                |                 |                              |                 |
| Sub-total Collection Agency Recovery Fee                |                                   | 100.0%                          |                           | 200,000                        | 200,000                        | 200,000         | 100.0%                       | 100.0%          |
| 4. Exempt Business Tax                                  |                                   |                                 |                           |                                |                                |                 |                              |                 |
| 1 Exempt Business Tax Fee                               | \$33 per account                  |                                 | \$37 per account          |                                |                                |                 |                              |                 |
| Sub-total Exempt Business Tax                           |                                   | 100.0%                          |                           | 26,640                         | 23,760                         | 26,640          | 89.2%                        | 100.0%          |
| 5. Handbill Distributors                                |                                   |                                 |                           |                                |                                |                 |                              |                 |
| 1 Commercial Distributor Permit                         | \$1 per distribution              |                                 | No Change                 |                                |                                |                 |                              |                 |
| 2 Handbill Distributors License                         | \$33 per year                     |                                 | \$38 per year             |                                |                                |                 |                              |                 |
| 3 Owner's Permit  | \$24 per year                     |                                 | \$29 per year             |                                |                                |                 |                              |                 |
| Sub-total Handbill Distributors                         |                                   | 100.0%                          |                           | 51,858                         | 44,118                         | 51,858          | 85.1%                        | 100.0%          |
| 6. Returned Check Fee                                   |                                   |                                 |                           |                                |                                |                 |                              |                 |
| 1 Returned Check Fee                                    | \$42 per returned check           |                                 | \$28 per returned check   |                                |                                |                 |                              |                 |
| Sub-total Returned Check Fee                            |                                   | 100.0%                          |                           | 20,496                         | 30,744                         | 20,496          | 150.0%                       | 100.0%          |
| 7. Sale of Publications                                 |                                   |                                 |                           |                                |                                |                 |                              |                 |
| 1 Comprehensive Annual Financial Report                 | Actual printing and mailing costs |                                 | No Change                 |                                |                                |                 |                              |                 |
| 2 Monthly Investment Report                             | Actual printing and mailing costs |                                 | No Change                 |                                |                                |                 |                              |                 |
| 3 Single Audit (Grants)                                 | Actual printing and mailing costs |                                 | No Change                 |                                |                                |                 |                              |                 |
| Sub-total Sale of Publications                          |                                   |                                 |                           |                                |                                |                 |                              |                 |
| 8. Sales  |                                   |                                 |                           |                                |                                |                 |                              |                 |
| 1 Christmas Tree/Pumpkin License - Deposit (Refundable) | \$100 per lot                     |                                 | No Change                 |                                |                                |                 |                              |                 |

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

| Service  | 2006-2007<br>Adopted Fee                       | 2006-2007<br>% Cost<br>Recovery | 2007-2008<br>Proposed Fee                         | 2007-2008<br>Estimated<br>Cost | 2007-2008<br>Estimated Revenue |                 | 2007-2008<br>% Cost Recovery |                 |
|--|--|---------------------------------|---|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|  |  |                                 |   |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |
| FINANCE DEPARTMENT GENERAL FEES - CATEGORY I   |  |                                 |   |                                |                                |                 |                              |                 |
| 8. Sales   |  |                                 |   |                                |                                |                 |                              |                 |
| 2 Christmas Tree/Pumpkin<br>License - Lot  | \$82   |                                 | \$90  |                                |                                |                 |                              |                 |
| Sub-total Sales  |  | 100.0%                          |   | 720                            | 656                            | 720             | 91.1%                        | 100.0%          |
| SUB-TOTAL FINANCE DEPARTMENT GENERAL FEES -<br>CATEGORY I  |  | 100.0%                          |   | 324,124                        | 323,253                        | 324,124         | 99.7%                        | 100.0%          |
| INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II   |  |                                 |   |                                |                                |                 |                              |                 |
| 1. Solid Waste Delinquencies   |  |                                 |   |                                |                                |                 |                              |                 |
| 1 Administrative Charges for<br>Collection Procedure   | \$58 per lien                                  | 100.0%                          | \$69 per lien                                     | 480,000                        | 433,000                        | 480,000         | 90.2%                        | 100.0%          |
| 2 Late Payment Charge (The<br>charge level is set to encourage<br>customers to submit payments<br>by due date) | \$5 or 5% of the bill, whichever<br>is greater |                                 | \$6.00 or 5% of the bill,<br>whichever is greater |                                | 830,000                        | 1,000,000       |                              |                 |
| 3 Notice of Intent to Lien (The<br>notice is not a penalty)  | \$15   | 100.0%                          | \$16  | 700,000                        | 675,000                        | 700,000         | 96.4%                        | 100.0%          |
| 4 Returned Check Fee   | \$42 per returned check                        | 100.0%                          | \$36 per returned check                           | 24,840                         | 28,980                         | 24,840          | 116.7%                       | 100.0%          |
| 5 Special Assessment Charge<br>(The charge is not a penalty)   | \$5.00 per parcel                              |                                 | No Change   | 7,500                          | 7,500                          | 7,500           | 100.0%                       | 100.0%          |
| Sub-total Solid Waste Delinquencies  |  | 196.1%                          |   | 1,212,340                      | 1,974,480                      | 2,212,340       | 162.9%                       | 182.5%          |
| SUB-TOTAL INTEGRATED WASTE MANAGEMENT LATE<br>CHARGES - CATEGORY II  |  | 196.1%                          |   | 1,212,340                      | 1,974,480                      | 2,212,340       | 162.9%                       | 182.5%          |

## DEPARTMENTAL FEES AND CHARGES

## FINANCE

| Service                             | 2006-2007<br>Adopted Fee | 2006-2007<br>% Cost<br>Recovery | 2007-2008<br>Proposed Fee | 2007-2008<br>Estimated<br>Cost | 2007-2008<br>Estimated Revenue |                 | 2007-2008<br>% Cost Recovery |                 |
|-------------------------------------|--------------------------|---------------------------------|---------------------------|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|                                     |                          |                                 |                           |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |
| TOTAL DEPARTMENT - GENERAL FUND     |                          |                                 |                           | 324,124                        | 323,253                        | 324,124         | 99.7%                        | 100.0%          |
| TOTAL DEPARTMENT - NON-GENERAL FUND |                          |                                 |                           | 1,212,340                      | 1,974,480                      | 2,212,340       | 162.9%                       | 182.5%          |
| TOTAL DEPARTMENT - Category I       |                          |                                 |                           | 324,124                        | 323,253                        | 324,124         | 99.7%                        | 100.0%          |
| TOTAL DEPARTMENT - Category II      |                          |                                 |                           | 1,212,340                      | 1,974,480                      | 2,212,340       | 162.9%                       | 182.5%          |
| TOTAL DEPARTMENT                    |                          |                                 |                           | 1,536,464                      | 2,297,733                      | 2,536,464       | 149.5%                       | 165.1%          |